

FISCAL NOTE
HB 327 – SB 532

February 15, 2007

SUMMARY OF BILL: Expands the Tennessee River Resort District Act to include Humphreys and Stewart counties.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$425,000

Increase State Expenditures - \$6,000 One-Time

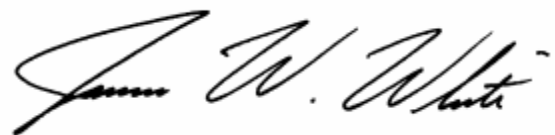
Increase Local Govt. Revenues - \$425,000

Assumptions:

- Currently, counties bordering, or crossed by, the Tennessee River or cities within three (3) miles of the nearest bank of the Tennessee River can elect to become a Tennessee River Resort District (TRRD).
- By electing TRRD status, such counties and/or cities would receive 4.5925% of sales tax collections actually remitted from their respective counties and/or cities, in lieu of the normal 4.5925% allocation of total state sales tax collections, which is based on population.
- According to the Department of Revenue (DOR), both Humphreys and Stewart counties would benefit by electing TRRD status; no cities would benefit.
- Both Humphreys and Stewart counties elect TRRD status.
- According to DOR, Humphreys County would benefit by approximately \$300,000, and Stewart County would benefit by approximately \$125,000.
- The recurring decrease to state revenues is estimated to be \$425,000 (\$300,000 Humphreys County + \$125,000 Stewart County = \$425,000).
- The recurring increase to local government revenues (Humphreys and Stewart counties) is estimated to be \$425,000.
- The one-time increase to state expenditures for computer and software enhancements is estimated to be \$6,000. According to DOR, this expense can be absorbed within existing resources.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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